



## ADAPTING LEADERS

The onset and rapid spread of COVID-19 and the events that occurred in Minneapolis - the city in which many of us are proud to work, live, and play - have been an awakening. As Compass looks to the future, we are hopeful that these historic events will lead Minnesotans and all Americans to come together to find solutions and forge meaningful progress to the social problems facing our communities and for the pandemic. Intent is not enough, results matter. This process has to be a *collaborative* process, because no one has all the answers.

We believe that whether regarding a community or a company, positive change and growth is a byproduct of strong leadership and clearly defined values. The current environment is full of both challenges and opportunities for the businesses we own. At Compass, we look for companies with superior, diversified, and growing businesses run by strong management teams that seek to gain the insights and perspectives needed to make sustainable change. Lately, their reactions and ability to pivot have been inspiring. Here are some examples of companies we own<sup>1</sup> and how they are responding.

### Developing a Vaccine and Testing

**Thermo Fisher Scientific (TMO) and Danaher (DHR):** Producing a combined 11 million COVID-19 tests per week to help detect and slow the spread of the disease. Thermo is also working with the Mayo Clinic to develop anti-body testing. Danaher's Cepheid division continues to develop and automate a rapid detection test (<30 minutes).

**Johnson & Johnson (JNJ):** Working with industry partners, governments, and health authorities to help end the pandemic—a goal to supply more than 1 billion vaccine doses globally. Johnson & Johnson is also supporting front-line workers while providing the medicines, devices, and products customers depend on.

### Rebuilding Supply Chains

**FedEx (FDX):** Delivering millions of packages of Personal Protective Equipment (PPE) and critical supplies to organizations around the world, and providing in-kind shipping services and logistics expertise.

**Expeditors International (EXPD):** As a global transportation and logistics company, Expeditors have positioned themselves to help the short-and long-term success of the global supply chain despite the sudden disruption in manufacturing and the global contraction in ocean liner, trucking, and airline capacity.

### Helping Business Adapt and Remain Secure

**Accenture (ACN):** Helping leaders and businesses outmaneuver uncertainty. Accenture consults with global business leaders to create strategy and implement technology to help organizations navigate the many challenges presented by the pandemic, keeping them resilient and agile.

**Microsoft (MSFT):** The market leader of software is assisting individuals' and businesses' productivity and connectivity as offices have transitioned to remote working. Microsoft products include operating systems, cloud-based solutions, and hardware. Additionally, Microsoft is providing many resources to fight COVID-19 directly, such as mobilizing A.I. (artificial intelligence) to help those working on the front lines of research.

**Check Point Software (CHKP):** As business operations come under stress, Check Point's network security architecture is offering the flexibility and technical requirements organizations demand, including cloud security from increased cyberattacks.

### Supplying PPE

**Medtronic (MDT):** With a mission to alleviate pain, restore health, and extend life, Medtronic has met the challenges and opportunities presented by COVID-19 by increasing their production of ventilators around the world. Recognizing that more needed to be done, the company also began sharing design specifications for their portable, compact ventilator, allowing others around the world to help in the production to meet the rapidly growing demand.

**Ecolab (ECL):** Develops and markets chemicals and services for cleaning, sanitizing, and maintenance. Ecolab supports frontline workers in many essential service areas, including hospitals, grocery stores, and food preparation businesses, by helping to maintain good hand hygiene and clean surfaces on tools and other equipment so that critical infrastructure can continue to run smoothly.

Everything we do at Compass has always been informed by certain cherished values, including the integrity of our long-term investment discipline and personnel. Our six-member investment team is responsible for the stock disciplines used in managing client portfolios. We meet formally each week to review our holdings and propose new ideas. We also make sure all holdings conform to our stated discipline of investing in high-quality growth stocks with a proven track record and a strong management team. The Compass investment team collectively represents 150 years in the investment business. Now is the time when experience, sound investment discipline, and strong governance are seriously needed to determine which management teams can lead companies through the next market cycle.

<sup>1</sup> Illustrative purposes only. Not a recommendation to either buy or sell this security. Past performance does not guarantee future results.



## FIRM

### INVESTMENT COMMITTEE

Charles Kelley, CFA

Leigh Niebuhr

Mark Halverson

Jay Jackley, CIMA

Mark Vitelli, CFA

Christopher Kelley, CFA, CAIA

### AUM

\$1.5 billion

### INCEPTION

1988

## COMPASS PHILOSOPHY

As an independently-owned firm, Compass provides customized investment services to individuals, foundations/endowments, trusts, and retirement plans. Our objective is to preserve and enhance the real purchasing power of our clients' wealth over time.

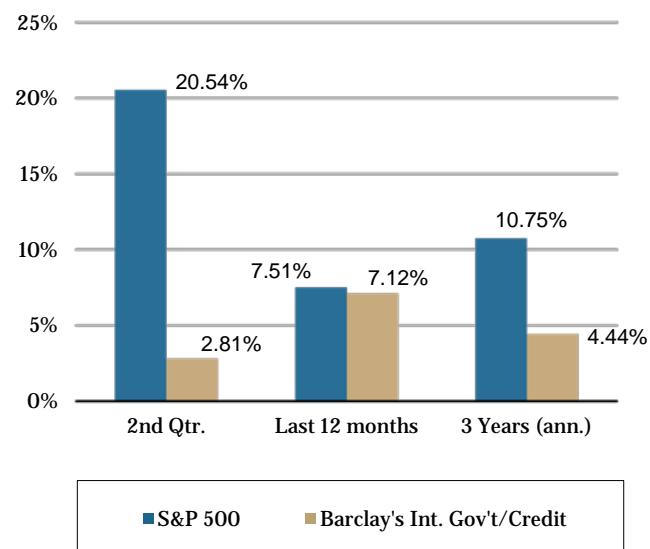
Our clients value working directly with a seasoned and experienced team of portfolio managers to help them navigate their investments relating to:

- |                               |                     |
|-------------------------------|---------------------|
| -Building a quality portfolio | -Divorce            |
| -Retirement                   | -Inheritance        |
| -Sale of a business           | -Trust distribution |

Our experienced team is always available to provide financial advice and review your financial assets.

## MARKET INDICES

Total Return as of 06/30/2020



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For more information regarding our company or results, please contact us at [investors@compasscap.com](mailto:investors@compasscap.com).